

KINLEY SIMPSON ASSOCIATES

7901 Stoneridge Drive, #404
Pleasanton, CA 94588-2842
510-463-0404
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DOCKET FILE COPY ORIGINAL

November 7, 1994

EX PARTE OR LATE FILED

Mr. William F. Caton
Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, DC 20554

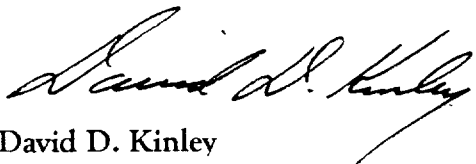
Re: Hardship Rate Relief Petition-Horizon Cable TV, Inc.
Fifth Order in MM Docket Nos. 92-266, 93-215, FCC 94-234
(September 26, 1994)

Dear Mr. Caton:

Enclosed are an original and 5 copies of Supplemental Documentation for the above petition.

This information is being supplied at the request of Ms. JoAnn Lucanik of the Cable Services Bureau. There are no separate tax returns available for Horizon Cable TV, Inc., since its results in prior years were consolidated for tax purposes.

Sincerely,



David D. Kinley
Kinley Simpson Associates

NOV 08 1994

cc: JoAnn Lucanik
Susan Cosentino

Client: 417

Department(s): All
Period: 08/01/93 to 07/31/94

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Acct-No	Acct-Description	Beginning-Bal	Debits	Credits	Net-Change	Ending-Bal
110-000	PETTY CASH					
	40.00	.00		.00	.00	40.00
111-000	CASH IN BANK - WELLS FARGO					
	227.70	20,633.51	20,639.17		5.66-	222.04
112-000	CASH IN BANK-SILICON VALLEY BK					
	690.45	742,954.24	753,269.67		10,315.43-	9,624.98-
113-000	CASH IN BANK-SILICON VALLEY BK					
	21,264.94	93,957.37	67,030.00		26,927.37	48,192.31
114-000	CASH - SMITH BARNEY SHEARSON					
	3,731.90	90,768.36	94,496.01		3,727.65-	4.25
115-000	MARKETABLE SECURITIES - NOTE D					
	86,018.05	14,580.76	100,598.81		86,018.05-	.00
116-000	PURCHASED INTEREST					
	99.23	.00	99.23		99.23-	.00
130-000	ACCOUNTS RECEIVABLE					
	22,040.64	276,053.11	276,046.07		7.04	22,047.68
145-000	EMPLOYEE ADVANCES					
	.00	5,195.00	4,945.00		250.00	250.00
160-000	PREPAID TAXES					
	.00	21,281.96	21,281.96		.00	.00
164-000	PREPAID RENT					
	919.23	5,443.61	6,218.13		774.52-	144.71
165-000	PREPAID EXPENSES					
	3,822.75	12,152.84	13,768.12		1,615.28-	2,207.47
166-000	PREPAID INSURANCE					
	.00	13,805.01	6,587.89		7,217.12	7,217.12
211-000	CATV - HAMILTON FIELD					
	536,473.82	6,299.25	165.00		6,134.25	542,608.07
212-000	CATV - LUCAS VALLEY					
	18,090.96	10,595.68	1,353.00		9,242.68	27,333.64
213-000	CATV - POINT MOLATE					
	25,752.72	.00	.00		.00	25,752.72
214-000	CATV - WEST MARIN					
	1,792,336.86	.00	1,792,336.86		1,792,336.86-	.00
215-000	CATV - DILLION BEACH					
	7,528.05	21,214.38	1,652.50		19,561.88	27,089.93
216-000	CATV-WEST MARIN					
	.00	1,631,590.57	5,272.23		1,626,318.34	1,626,318.34
217-000	CATV - STINSON BEACH					
	.00	203,247.16	2,068.17		201,178.99	201,178.99
220-000	OPERATING EQUIPMENT					
	13,326.07	2,198.39	.00		2,198.39	15,524.46
230-000	OFFICE EQUIPMENT					
	21,577.30	2,477.35	.00		2,477.35	24,054.65
240-000	VEHICLES					
	37,319.73	1,171.00	7,169.00		5,998.00-	31,321.73

Client: 417

Department(s): All
Period: 08/01/93 to 07/31/94

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Acct-No	Acct-Description	Beginning-Bal	Debits	Credits	Net-Change	Ending-Bal
245-000	ACCUMULATED DEPRECIATION					
	464,723.00-	6,202.00	173,838.00	167,636.00-	632,359.00-	
283-000	DEPOSITS					
	251.90	.00	.00	.00	251.90	
284-000	LOAN FEES - NOTE A					
	25,393.90	5,426.63	29,463.88	24,037.25-	1,356.65	
301-000	NOTE PAYABLE - SILICON VALL BK					
	10,966.64-	29,669.96	18,703.32	10,966.64	.00	
302-000	NOTE PAYABLE - IMPERIAL PREMIUM					
	.00	6,368.90	11,464.02	5,095.12-	5,095.12-	
305-000	NOTE PAYABLE - JIM LEE					
	.00	4,832.78	13,441.81	8,609.03-	8,609.03-	
340-000	ACCOUNTS PAYABLE					
	11,900.00-	192,833.09	194,075.06	1,241.97-	13,141.97-	
344-000	NOTE PAYABLE - CHEVROLET					
	4,396.64-	4,396.64	2,254.44	2,142.20	2,254.44-	
346-000	NOTE PAYABLE - SILICON VALL BK					
	3,266.66-	58,000.00	1,347,900.34	1,289,900.34-	1,293,167.00-	
351-000	FEDERAL WITHHOLDING TAX					
	1,865.26-	14,047.26	13,087.00	960.26	905.00-	
352-000	FICA WITHHOLDING					
	791.26-	19,967.86	20,551.03	583.17-	1,374.43-	
353-000	STATE DISABILITY/UNEMPLOYMENT					
	134.47-	4,449.76	4,646.23	196.47-	330.94-	
354-000	STATE WITHHOLDING TAX					
	205.65-	2,723.84	2,684.25	39.59	166.06-	
355-000	FEDERAL UNEMPLOYMENT INSURANCE					
	46.12-	238.66	224.00	14.66	31.46-	
377-000	ACCRUED INT-SILICON VALLEY BK					
	5,789.82-	62,791.32	62,708.50	82.82	5,707.00-	
378-000	ACCRUED INT - VIDEO ENG.					
	7,744.62-	7,000.00	4,539.80	2,460.20	5,284.42-	
379-000	ACCRUED INT - KEN DANIEL					
	101,163.70-	.00	59,223.85	59,223.85-	160,387.55-	
380-000	ACCRUED PAYROLL					
	2,215.00-	42,539.86	42,539.86	.00	2,215.00-	
391-000	CONVERTER DEPOSITS					
	9,876.35-	6,351.07	18,134.72	11,783.65-	21,660.00-	
401-000	STOCKHOLDER LOAN					
	41,503.00-	.00	.00	.00	41,503.00-	
431-000	LOAN PAYABLE - KEN DANIEL					
	640,249.99-	.00	.00	.00	640,249.99-	
440-000	NOTE PAYABLE - JIM LEE					
	25,000.00-	25,000.00	.00	25,000.00	.00	
441-000	NOTE PAYABLE - SILICON VALL BK					
	1,021,416.67-	1,047,416.67	26,000.00	1,021,416.67	.00	

Client: 417

Department(s): All
Period: 08/01/93 to 07/31/94

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Acct-No	Acct-Description	Beginning-Bal	Debits	Credits	Net-Change	Ending-Bal
444-000	NOTE PAYABLE-SILICON VALLEY BK					
	153,533.36-	153,533.36		.00	153,533.36	.00
445-000	NOTE PAYABLE - CHEVROLET					
	2,254.44-	2,254.44		.00	2,254.44	.00
446-000	NOTE PAYABLE - SILICON VALL BK					
	192,733.34-	192,733.34		.00	192,733.34	.00
471-000	COMMON STOCK - NOTE A					
	120,000.00-	.00		.00	.00	120,000.00-
491-000	RETAINED EARNINGS (DEFICITS)					
	204,869.79	.00		.00	.00	204,869.79
511-000	HA - INCOME					
	.00	114,116.50	366,787.88		252,671.38-	252,671.38-
512-000	LV - INCOME					
	.00	29,282.22	132,229.01		102,946.79-	102,946.79-
513-000	RW - INCOME					
	.00	900.00	2,723.50		1,823.50-	1,823.50-
515-000	PM - INCOME					
	.00	1,635.86	3,813.56		2,177.70-	2,177.70-
516-000	PR - INCOME					
	.00	88,771.40	328,192.03		239,420.63-	239,420.63-
517-000	SB - INCOME					
	.00	42,969.85	153,790.14		110,820.29-	110,820.29-
520-000	OTHER INCOME					
	.00	.00	2,562.75		2,562.75-	2,562.75-
595-000	INTEREST INCOME					
	.00	.00	2,323.53		2,323.53-	2,323.53-
596-000	DIVIDEND INCOME					
	.00	.00	360.03		360.03-	360.03-
597-000	GAIN/LOSS FROM SALE OF ASSETS					
	.00	13,105.62	14,650.74		1,545.12-	1,545.12-
602-000	ACCOUNTING					
	.00	10,335.00	3,275.00		7,060.00	7,060.00
603-000	ADVERTISING					
	.00	190.00	.00		190.00	190.00
604-000	AMORTIZATION OF LOAN FEES					
	.00	29,463.88	.00		29,463.88	29,463.88
620-000	BAD DEBTS					
	.00	6,979.47	130.78		6,848.69	6,848.69
623-000	BASIC PROGRAMMING					
	.00	198,923.57	105,487.53		93,436.04	93,436.04
624-000	BANK CHARGES					
	.00	3,702.38	.00		3,702.38	3,702.38
637-000	CONTRIBUTIONS					
	.00	880.00	.00		880.00	880.00
638-000	COPYRIGHT FEES					
	.00	1,951.11	.00		1,951.11	1,951.11

Client: 417

Department(s): All
Period: 08/01/93 to 07/31/94

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Acct-No	Acct-Description	Beginning-Bal	Debits	Credits	Net-Change	Ending-Bal
651-000	DEPRECIATION					
		.00	173,838.00	.00	173,838.00	173,838.00
661-000	DUES AND SUBSCRIPTIONS					
		.00	4,836.79	926.68	3,910.11	3,910.11
681-000	FOOD & ENTERTAINMENT					
		.00	1,183.54	86.15	1,097.39	1,097.39
685-000	EQUIPMENT RENTAL					
		.00	10,584.24	665.58	9,918.66	9,918.66
695-000	FRANCHISE APPLICATION FEES					
		.00	10,276.77	.00	10,276.77	10,276.77
697-000	FREIGHT					
		.00	9.58	9.58	.00	.00
708-000	GASOLINE AND OIL					
		.00	9,036.01	544.84	8,491.17	8,491.17
760-000	INSURANCE					
		.00	9,331.69	1,017.47	8,314.22	8,314.22
761-000	INSURANCE - W/C					
		.00	4,025.43	.00	4,025.43	4,025.43
765-000	INTEREST					
		.00	252,140.41	63,491.32	188,649.09	188,649.09
775-000	LEGAL					
		.00	6,602.29	1,800.85	4,801.44	4,801.44
780-000	LICENSES AND PERMITS					
		.00	2,912.24	35.00	2,877.24	2,877.24
788-000	MATERIALS					
		.00	6,602.86	690.92	5,911.94	5,911.94
789-000	MEDICAL INSURANCE					
		.00	12,257.38	2,114.57	10,142.81	10,142.81
800-000	OFFICE EXPENSE					
		.00	37,088.80	25,294.27	11,794.53	11,794.53
839-000	PAY PROGRAMMING					
		.00	151,058.68	85,777.14	65,281.54	65,281.54
841-000	PAYROLL TAXES					
		.00	13,329.46	2,020.14	11,309.32	11,309.32
842-000	POSSESSORY INTEREST TAX					
		.00	5,686.64	.00	5,686.64	5,686.64
845-000	POSTAGE					
		.00	4,853.58	575.50	4,278.08	4,278.08
852-000	PERSONAL PROPERTY TAX					
		.00	15,806.84	.00	15,806.84	15,806.84
864-000	POLE ATTACHMENTS					
		.00	5,183.62	.00	5,183.62	5,183.62
875-000	RENT					
		.00	6,218.13	.00	6,218.13	6,218.13
876-000	REPAIRS & MAINTENANCE					
		.00	6,544.96	1,152.53	5,392.43	5,392.43

Client: 417

Department(s): All
Period: 08/01/93 to 07/31/94

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Acct-No	Acct-Description	Beginning-Bal	Debits	Credits	Net-Change	Ending-Bal
881-000	SALARIES - OFFICE					
	.00	27,380.00		7,220.00	20,160.00	20,160.00
883-000	MANAGEMENT FEES					
	.00	75,261.60		19,047.94	56,213.66	56,213.66
885-000	SALARIES - OTHER					
	.00	27,015.64		7,135.26	19,880.38	19,880.38
905-000	STATEMENT EXPENSE					
	.00	9,771.03		.00	9,771.03	9,771.03
907-000	SMALL TOOLS					
	.00	1,766.20		598.01	1,168.19	1,168.19
908-000	SUPPLIES					
	.00	5,627.86		.00	5,627.86	5,627.86
909-000	TAXES - OTHER					
	.00	33.93		.00	33.93	33.93
910-000	TELEPHONE					
	.00	7,605.33		421.94	7,183.39	7,183.39
915-000	TRAINING					
	.00	2,563.33		.00	2,563.33	2,563.33
921-000	TRAVEL					
	.00	6,987.32		340.83	6,646.49	6,646.49
928-000	TRUCK EXPENSE					
	.00	6,427.49		60.00	6,367.49	6,367.49
940-000	UTILITIES					
	.00	11,304.97		.00	11,304.97	11,304.97
951-000	MISCELLANEOUS					
	.00	950.19		402.05	548.14	548.14
957-000	GROSS PAYROLL					
	.00	95,373.25		95,373.25	.00	.00
990-000	CALIFORNIA FRANCHISE TAX					
	.00	800.00		.00	800.00	800.00
995-000	EXTRAORDINARY ITEM - NOTE D					
	.00	17,725.30		.00	17,725.30	17,725.30
	Grand Totals					
	.00	6,653,605.23	6,653,605.23		.00	.00



ROBERTS, EXBERGER & LUMBERT ACCOUNTANCY CORPORATION

OCTOBER 28, 1994

HORIZON CABLE TV, INC.
FAIRFAX, CALIFORNIA

WE HAVE COMPILED THE ACCOMPANYING BALANCE SHEET OF HORIZON CABLE TV, INC., AT SEPTEMBER 30, 1994, AND THE RELATED STATEMENTS OF INCOME AND CASH FLOWS FOR THE MONTH AND TWO MONTHS THEN ENDED, IN ACCORDANCE WITH STATEMENTS ON STANDARDS FOR ACCOUNTING AND REVIEW SERVICES ISSUED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS.

A COMPILATION IS LIMITED TO PRESENTING IN THE FORM OF FINANCIAL STATEMENTS INFORMATION THAT IS THE REPRESENTATION OF MANAGEMENT. WE HAVE NOT AUDITED OR REVIEWED THE ACCOMPANYING FINANCIAL STATEMENTS AND, ACCORDINGLY, DO NOT EXPRESS AN OPINION OR ANY OTHER FORM OF ASSURANCE ON THEM.

Roberts, Exberger & Lumbert

HORIZON CABLE TV, INC.
BALANCE SHEET
SEE ACCOUNTANT'S
COMPILATION REPORT

AS OF SEPTEMBER 30, 1994

ASSETS

CURRENT ASSETS

PETTY CASH	\$	40.00	
CASH IN BANK - WELLS FARGO		221.45	
CASH IN BANK-SILICON VALLEY BK		(910.25)	
CASH IN BANK-SILICON VALLEY BK		10,815.86	
ACCOUNTS RECEIVABLE		25,111.27	
PREPAID TAXES		15,516.81	
PREPAID RENT		86.83	
PREPAID EXPENSES		1,706.89	
PREPAID INSURANCE		5,602.30	

TOTAL CURRENT ASSETS			\$ 58,191.16

FIXED ASSETS - NOTE A

CATV - HAMILTON FIELD	\$	543,201.63	
CATV - LUCAS VALLEY		29,168.18	
CATV - POINT MOLATE		25,752.72	
CATV - WEST MARIN		1,841,661.67	
CATV - DILLION BEACH		27,337.43	
OPERATING EQUIPMENT		15,913.86	
OFFICE EQUIPMENT		24,054.65	
VEHICLES		31,321.73	
ACCUMULATED DEPRECIATION		(661,417.00)	

TOTAL FIXED ASSETS			\$ 1,876,994.87

OTHER ASSETS

DEPOSITS	\$	251.90	
LOAN FEES - NOTE A		452.21	

TOTAL OTHER ASSETS			\$ 704.11

TOTAL ASSETS			\$ 1,935,890.14
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ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
BALANCE SHEET
SEE ACCOUNTANT'S
COMPILATION REPORT

AS OF SEPTEMBER 30, 1994

LIABILITIES AND EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	\$ 24,753.58
NOTES PAYABLE - SCHEDULE 1	1,286,158.98
FEDERAL P/R TAXES PAYABLE	2,250.72
STATE P/R TAXES PAYABLE	286.78
ACCRUED INT-SILICON VALLEY BK	5,711.69
ACCRUED INT - VIDEO ENG.	5,926.14
ACCRUED INT - KEN DANIEL	170,285.26
ACCRUED PAYROLL	4,680.00
CONVERTER DEPOSITS	20,895.00

TOTAL CURRENT LIABILITIES	-----	\$ 1,520,948.15
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LONG TERM LIABILITIES

NOTES PAYABLE - SCHEDULE 1	\$ 681,752.99
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TOTAL LONG TERM LIABILITIES	-----	\$ 681,752.99
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TOTAL LIABILITES	-----	\$ 2,202,701.14
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STOCKHOLDERS EQUITY

COMMON STOCK - NOTE A	\$ 120,000.00
RETAINED EARNINGS (DEFICITS)	(360,949.73)
NET INCOME (LOSS)	(25,861.27)

TOTAL EQUITY	-----	\$ (266,811.00)
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TOTAL LIABILITIES AND EQUITY	-----	\$ 1,935,890.14
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ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
INCOME STATEMENT
SEE ACCOUNTANT'S
COMPILATION REPORT

FOR THE MONTH ENDED 9/30/94 & THE TWO MONTHS ENDED 9/30/94

	CURRENT-PERIOD AMOUNT	CUR-PD RATIO	YEAR-TO-DATE AMOUNT	Y-T-D RATIO
INCOME - SCHEDULE 2				
CATV INCOME - SCHEDULE 2	\$ 57,750.26	99.94	\$ 116,643.49	99.89
INTEREST INCOME	36.98	.06	123.55	.11
	-----	-----	-----	-----
TOTAL INCOME	\$ 57,787.24	100.00	\$ 116,767.04	100.00
OPERATING EXP - SCHED 3	\$ 33,087.66	57.26	\$ 69,944.16	59.90
	-----	-----	-----	-----
OPERATING INCOME (LOSS)	\$ 24,699.58	42.74	\$ 46,822.88	40.10
 MANAGEMENT FEES	 \$ 4,222.04	 7.31	 \$ 8,740.52	 7.49
INTEREST	16,902.40	29.25	33,981.19	29.10
AMORTIZATION OF LOAN FEES	452.22	.78	904.44	.77
DEPRECIATION	14,529.00	25.14	29,058.00	24.89
	-----	-----	-----	-----
NET INCOME (LOSS)	\$ (11,406.08)	(19.74)	\$ (25,861.27)	(22.15)
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ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
STATEMENT OF CASH FLOWS
SEE ACCOUNTANT'S
COMPILATION REPORT

FOR THE MONTH ENDED 9/30/94 & THE TWO MONTHS ENDED 9/30/94

	CURRENT PERIOD	YEAR-TO-DATE
RECONCILIATION OF NET INCOME TO OPERATING CASH:		
NET INCOME (LOSS)	\$ (11,406.08)	\$ (25,861.27)
ADJUSTMENTS TO RECONCILE NET INCOME TO NET OPERATING CASH		
DEPRECIATION AND AMORTIZATION	\$ 14,981.22	\$ 29,962.44
CHANGE IN ASSETS & LIABILITIES		
INCR/INCR IN ACCOUNTS RECEIVABLE	\$ (3,531.19)	\$ (3,063.59)
DECR/DECR IN EMPLOYEE ADVANCES	50.00	250.00
DECR/INCR IN PREPAID TAXES	1,724.09	(15,516.81)
DECR/DECR IN PREPAID RENT	28.94	57.88
DECR/DECR IN PREPAID INSURANCE	464.41	1,614.82
DECR/DECR IN PREPAID EXPENSES	578.33	500.58
INCR/INCR IN ACCOUNTS PAYABLE	344.95	11,611.61
DECR/INCR IN ACCRUED INT-SILICON VALLEY BK	(223.13)	4.69
INCR/INCR IN ACCRUED INT - VIDEO ENG.	315.60	641.72
INCR/INCR IN ACCRUED INT - KEN DANIEL	4,867.80	9,897.71
INCR/INCR IN ACCRUED PAYROLL	1,041.37	2,465.00
DECR/DECR IN CONVERTER DEPOSITS	(180.00)	(765.00)
DECR/DECR IN OTHER LIABILITIES	(14.41)	(270.39)
	-----	-----
TOTAL ADJUSTMENTS	\$ 20,447.98	\$ 37,390.66
	-----	-----
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 9,041.90	\$ 11,529.39
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ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
STATEMENT OF CASH FLOWS
SEE ACCOUNTANT'S
COMPILATION REPORT

FOR THE MONTH ENDED 9/30/94 & THE TWO MONTHS ENDED 9/30/94

	CURRENT PERIOD	YEAR-TO-DATE
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS	\$ 54,437.16	\$ 112,628.25
CASH PAID TO SUPPLIERS AND EMPLOYEES	(33,490.11)	(77,785.34)
INTEREST RECEIVED	36.98	123.55
INTEREST PAID	(11,942.13)	(23,437.07)
	-----	-----
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 9,041.90	\$ 11,529.39
CASH FLOWS FROM INVESTING ACTIVITIES		
CAPITAL EXPENDITURES	\$ (7,003.07)	\$ (17,229.34)
	-----	-----
NET CASH USED IN INVESTING ACTIVITIES	\$ (7,003.07)	\$ (17,229.34)
CASH FLOWS FROM FINANCING ACTIVITIES:		
PRINCIPAL PAYMENTS	\$ (11,487.53)	\$ (22,966.61)
	-----	-----
NET CASH PROVIDED BY FINANCING ACTIVITIES	\$ (11,487.53)	\$ (22,966.61)
	-----	-----
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ (9,448.70)	\$ (28,666.56)
CASH/CASH EQUIVALENTS BEGINNING OF PERIOD	\$ 19,615.76	\$ 38,833.62
	-----	-----
CASH EQUIVALENTS END OF PERIOD	\$ 10,167.06	\$ 10,167.06
	=====	=====

ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
SCHEDULE 1
NOTES PAYABLE
SEPTEMBER 30, 1994
SEE ACCOUNTANT'S COMPILATION REPORT

LENDER	SHORT TERM	LONG TERM	TOTAL
1. SILICON VALLEY BANK	\$ 1,275,167.00	\$ 0	\$ 1,275,167.00
2. VIDEO ENGIN., INC.	0	41,503.00	41,503.00
3. KEN DANIEL	0	640,249.99	640,249.99
4. JIM LEE	6,943.88	0	6,943.88
5. GMAC	1,500.54	0	1,500.54
6. IMPERIAL PREMIUM	<u>2,547.56</u>	<u>0</u>	<u>2,547.56</u>
	<u>\$ 1,286,158.98</u>	<u>\$ 681,752.99</u>	<u>\$ 1,967,911.97</u>

DUE DATE	INTEREST RATE	PAYABLE	COLLATERAL
1. 12/15/94	P + 3.00%		SHAREHOLDER'S REAL ESTATE
2. DEMAND	9.25%	INT SEMI-ANNUALLY	UNSECURED
3.	9.25%	*	UNSECURED
4. 5/1/95	10%	\$ 900.86 P/MO.	UNSECURED
5. AMORTIZED	4.9%	\$ 385.39 P/MO.	CHEVY TRUCK
6. 11/12/94	9.25%	\$ 1,273.78 P/MO.	UNSECURED

*PAYMENTS ON THIS OBLIGATION HAVE BEEN SUSPENDED INDEFINITELY.

AS OF SEPTEMBER 30, 1994 PRINCIPAL PAYMENTS ARE DUE AS FOLLOWS:

YEAR ENDED JULY 31,

1995	\$ 1,286,158.98
1996	0
1997	0
1998	0
THEREAFTER	<u>681,752.99</u>
	<u>\$ 1,967,911.97</u>

ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
SUPPORTING SCHEDULE 2
SEE ACCOUNTANT'S
COMPILATION REPORT

FOR THE MONTH ENDED 9/30/94 & THE TWO MONTHS ENDED 9/30/94

	CURRENT-PERIOD AMOUNT	CUR-PD RATIO	YEAR-TO-DATE AMOUNT	Y-T-D RATIO
INCOME				
HA - INCOME	\$ 19,297.12	33.39	\$ 39,983.36	34.24
LV - INCOME	8,300.81	14.36	16,792.32	14.38
RW - INCOME	150.00	.26	300.00	.26
WM - INCOME	(10.00)	(.02)	(90.63)	(.08)
PM - INCOME	3.00	.01	53.50	.05
PR - INCOME	20,218.04	34.99	40,513.99	34.70
SB - INCOME	9,791.29	16.94	19,090.95	16.35
	-----	-----	-----	-----
TOTAL INCOME	\$ 57,750.26	99.93	\$ 116,643.49	99.90

ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
SUPPORTING SCHEDULE 3
SEE ACCOUNTANT'S
COMPILATION REPORT

FOR THE MONTH ENDED 9/30/94 & THE TWO MONTHS ENDED 9/30/94

	CURRENT-PERIOD AMOUNT	CUR-PD RATIO	YEAR-TO-DATE AMOUNT	Y-T-D RATIO
OPERATING EXP - SCHED 3				
ACCOUNTING	\$.00	.00	\$ 135.00	.12
ADVERTISING	316.17	.55	316.17	.27
BAD DEBTS	(143.51)	(.25)	1,471.23	1.26
BASIC PROGRAMMING	7,446.98	12.89	16,347.96	14.00
BANK CHARGES	10.00	.02	20.00	.02
CONTRIBUTIONS	.00	.00	150.00	.13
COPYRIGHT FEES	792.87	1.37	792.87	.68
DUES AND SUBSCRIPTIONS	385.04	.67	1,074.92	.92
FOOD & ENTERTAINMENT	.00	.00	188.06	.16
EQUIPMENT RENTAL	891.31	1.54	1,602.83	1.37
GASOLINE AND OIL	832.38	1.44	1,674.55	1.43
INSURANCE	1,160.83	2.01	1,996.66	1.71
INSURANCE - W/C	314.58	.54	629.16	.54
MATERIALS	349.02	.60	1,307.70	1.12
MEDICAL INSURANCE	941.26	1.63	1,880.48	1.61
OFFICE EXPENSE	412.40	.71	1,961.33	1.68
PAY PROGRAMMING	6,019.60	10.42	11,306.75	9.68
PAYROLL TAXES	670.75	1.16	1,337.32	1.15
POSSESSORY INTEREST TAX	486.17	.84	1,458.51	1.25
POSTAGE	260.26	.45	492.24	.42
PERSONAL PROPERTY TAX	1,237.92	2.14	3,713.76	3.18
POLE ATTACHMENTS	1,633.57	2.83	3,183.99	2.73
RENT	468.70	.81	937.40	.80
REPAIRS & MAINTENANCE	155.88	.27	311.76	.27
SALARIES - OFFICE	1,672.00	2.89	3,420.00	2.93
SALARIES - OTHER	1,647.80	2.85	3,077.01	2.64
STATEMENT EXPENSE	596.86	1.03	1,612.45	1.38
SUPPLIES	284.14	.49	715.27	.61
TAXES - OTHER	27.86	.05	27.86	.02
TELEPHONE	615.26	1.06	1,460.59	1.25
TRAVEL	.00	.00	592.20	.51
TRUCK EXPENSE	2,143.04	3.71	2,394.21	2.05
UTILITIES	1,414.06	2.45	2,264.10	1.94
MISCELLANEOUS	44.46	.08	89.82	.08
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TOTAL OPERATING EXPENSES	\$ 33,087.66	57.25	\$ 69,944.16	59.91

ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
NOTES TO FINANCIAL STATEMENT
SEPTEMBER 30, 1994
SEE ACCOUNTANT'S COMPILATION REPORT

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF BUSINESS

THE COMPANY CONSTRUCTS, OPERATES AND MAINTAINS CABLE TELEVISION SYSTEMS IN THE FAIRFAX AREA. THE CORPORATION GRANTS CREDIT TO CUSTOMERS, SUBSTANTIALLY ALL OF WHOM ARE LOCAL RESIDENTS.

FIXED ASSETS

FIXED ASSETS CONSIST OF CABLE TV SYSTEMS, TEST AND OPERATING EQUIPMENT, OFFICE EQUIPMENT AND VEHICLES. DEPRECIATION ON THESE ASSETS IS COMPUTED FOR FINANCIAL STATEMENT PURPOSES BY A COMBINATION OF BOTH STRAIGHT-LINE AND DECLINING BALANCE METHODS APPLIED TO INDIVIDUAL ASSETS. THE ESTIMATED LIVES ARE FROM FIVE TO FIFTEEN YEARS.

FOR FEDERAL INCOME TAX PURPOSES, THE MODIFIED ACCELERATED COST RECOVERY SYSTEM IS USED FOR ASSETS ACQUIRED AFTER 1986.

BAD DEBTS

NO PROVISION HAS BEEN MADE FOR ACCOUNTS RECEIVABLE THAT MAY BE UNCOLLECTIBLE. IT HAS BEEN THE POLICY OF MANAGEMENT TO WRITE OFF BAD DEBTS IMMEDIATELY UPON SUCH DETERMINATION.

COMMON STOCK

10,000 SHARES OF COMMON STOCK WERE AUTHORIZED AND 4,000 SHARES HAVE BEEN ISSUED AT \$ 30.00 PER SHARE.

INCOME TAXES

INCOME TAXES FOR HORIZON CABLE TV, INC. FOR THE YEAR ENDED JULY 31, 1994 WERE \$ 800.00 FOR CALIFORNIA AND \$ -0- FOR FEDERAL. THE COMPANY FILES A CONSOLIDATED TAX RETURN WITH ITS PARENT CORPORATION, VIDEO ENGINEERING, INC. HORIZON CABLE TV, INC. IS A WHOLLY-OWNED SUBSIDIARY OF VIDEO ENGINEERING, INC., A PRIVATELY-HELD CORPORATION.

THE DIFFERENCES BETWEEN PRE-TAX ACCOUNTING INCOME AND TAXABLE INCOME, SUCH AS THE USE OF ACCELERATED METHODS OF DEPRECIATION, ARE NOT DEEMED TO BE MATERIAL. THEREFORE, A DEFERRED TAX LIABILITY HAS NOT BEEN RECOGNIZED.

HORIZON CABLE TV, INC.
NOTES TO FINANCIAL STATEMENT - CONT'D
SEPTEMBER 30, 1994
SEE ACCOUNTANT'S COMPILATION REPORT

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

STATEMENT OF CASH FLOWS

THE STATEMENT OF CASH FLOWS USES THE DIRECT METHOD.
THE CORPORATION CONSIDERS ALL HIGHLY LIQUID DEBT
INSTRUMENTS PURCHASED WITH A MATURITY OF THREE MONTHS
OR LESS TO BE CASH EQUIVALENTS.

LOAN FEES

LOAN FEES OF \$ 5,426.63, DATED NOVEMBER 11, 1993, ARE
BEING AMORTIZED OVER THE ONE YEAR LIFE OF THE LOAN.

NOTE B OPERATING LEASE

THE COMPANY IS LEASING A COMPUTER AND SOFTWARE FROM
ADVANTA. THE LEASE IS FOR A FOUR YEAR TERM BEGINNING
FEBRUARY, 1991 WITH A MONTHLY RENTAL OF \$ 251.90. THE
REMAINING COMMITMENT UNDER THE LEASE IS \$ 1,259.50.

THE COMPANY IS ALSO LEASING APPROXIMATELY 2,000 SQUARE
FEET OF LAND IN MARIN COUNTY UNDER A 20 YEAR LEASE
THAT BEGAN DECEMBER 1, 1981. THIS LEASE MAY BE
TERMINATED AT ANY TIME. THIS LEASE ALSO PROVIDES AN
OPTION TO EXTEND THE LEASE AN ADDITIONAL TEN YEARS
UPON EXPIRATION. THE CURRENT LEASE PAYMENT IS
\$ 3,250.00 PER YEAR.

NOTE C RELATED PARTY TRANSACTIONS

RELATED PARTY TRANSACTIONS ARE INCLUDED ON THE SCHEDULE
OF NOTES PAYABLE AND CONSIST OF THE FOLLOWING:

VIDEO ENGINEERING, INC.	\$ 41,503.00
KEN DANIEL	\$ 640,249.99



ROBERTS, EXBERGER & LUMBERT ACCOUNTANCY CORPORATION

OCTOBER 12, 1994

HORIZON CABLE TV, INC.
FAIRFAX, CALIFORNIA

WE HAVE COMPILED THE ACCOMPANYING BALANCE SHEET OF HORIZON CABLE TV, INC., AT AUGUST 31, 1994, AND THE RELATED STATEMENTS OF INCOME AND CASH FLOWS FOR THE MONTH THEN ENDED, IN ACCORDANCE WITH STATEMENTS ON STANDARDS FOR ACCOUNTING AND REVIEW SERVICES ISSUED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS.

A COMPILATION IS LIMITED TO PRESENTING IN THE FORM OF FINANCIAL STATEMENTS INFORMATION THAT IS THE REPRESENTATION OF MANAGEMENT. WE HAVE NOT AUDITED OR REVIEWED THE ACCOMPANYING FINANCIAL STATEMENTS AND, ACCORDINGLY, DO NOT EXPRESS AN OPINION OR ANY OTHER FORM OF ASSURANCE ON THEM.

Roberts, Exberger & Lumbert

HORIZON CABLE TV, INC.
BALANCE SHEET
SEE ACCOUNTANT'S
COMPILATION REPORT

AS OF AUGUST 31, 1994

ASSETS

CURRENT ASSETS

PETTY CASH	\$	40.00	
CASH IN BANK - WELLS FARGO		211.07	
CASH IN BANK-SILICON VALLEY BK		585.81	
CASH IN BANK-SILICON VALLEY BK		18,778.88	
ACCOUNTS RECEIVABLE		21,580.08	
EMPLOYEE ADVANCES		50.00	
PREPAID TAXES		17,240.90	
PREPAID RENT		115.77	
PREPAID EXPENSES		2,285.22	
PREPAID INSURANCE		6,066.71	

TOTAL CURRENT ASSETS			\$ 66,954.44

FIXED ASSETS - NOTE A

CATV - HAMILTON FIELD	\$	542,608.07	
CATV - LUCAS VALLEY		29,003.18	
CATV - DILLION BEACH		27,337.43	
CATV - POINT MOLATE		25,752.72	
CATV - WEST MARIN		1,835,417.16	
OPERATING EQUIPMENT		15,913.86	
OFFICE EQUIPMENT		24,054.65	
VEHICLES		31,321.73	
ACCUMULATED DEPRECIATION		(646,888.00)	

TOTAL FIXED ASSETS			\$ 1,884,520.80

OTHER ASSETS

DEPOSITS	\$	251.90	
LOAN FEES - NOTE A		904.43	

TOTAL OTHER ASSETS			\$ 1,156.33

TOTAL ASSETS			\$ 1,952,631.57
			=====

ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
BALANCE SHEET
SEE ACCOUNTANT'S
COMPILATION REPORT

AS OF AUGUST 31, 1994

LIABILITIES AND EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	\$	24,408.63
NOTES PAYABLE - SCHEDULE 1		1,297,646.51
FEDERAL P/R TAXES PAYABLE		2,264.30
STATE P/R TAXES PAYABLE		287.61
ACCRUED INT-SILICON VALLEY BK		5,934.82
ACCRUED INT - VIDEO ENG.		5,610.54
ACCRUED INT - KEN DANIEL		165,417.46
ACCRUED PAYROLL		3,638.63
CONVERTER DEPOSITS		21,075.00

TOTAL CURRENT LIABILITIES		\$	1,526,283.50
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LONG TERM LIABILITIES

NOTES PAYABLE - SCHEDULE 1	\$	681,752.99
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TOTAL LONG TERM LIABILITIES		\$	681,752.99
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TOTAL LIABILITES		\$	2,208,036.49
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STOCKHOLDERS EQUITY

COMMON STOCK - NOTE A	\$	120,000.00
RETAINED EARNINGS (DEFICITS)		(360,949.73)
NET INCOME (LOSS)		(14,455.19)

TOTAL EQUITY		\$	(255,404.92)
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TOTAL LIABILITIES AND EQUITY		\$	1,952,631.57
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ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
INCOME STATEMENT
SEE ACCOUNTANT'S
COMPILATION REPORT

FOR THE MONTH ENDED AUGUST 31, 1994

	YEAR-TO-DATE AMOUNT	Y-T-D RATIO
INCOME - SCHEDULE 2		
CATV INCOME - SCHEDULE 2	\$ 58,478.23	99.85
INTEREST INCOME	86.57	.15
	-----	-----
TOTAL INCOME	\$ 58,564.80	100.00
OPERATING EXP - SCHED 3	\$ 36,856.50	62.93
	-----	-----
OPERATING INCOME (LOSS)	\$ 21,708.30	37.07
 MANAGEMENT FEES	 \$ 4,518.48	 7.72
INTEREST	17,078.79	29.16
AMORTIZATION OF LOAN FEES	452.22	.77
DEPRECIATION	14,529.00	24.81
EXTRAORDINARY ITEM	(415.00)	(.71)
	-----	-----
NET INCOME (LOSS)	\$ (14,455.19)	(24.68)
	=====	=====

ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
STATEMENT OF CASH FLOWS
SEE ACCOUNTANT'S
COMPILATION REPORT

FOR THE MONTH ENDED AUGUST 31, 1994

RECONCILIATION OF NET INCOME TO OPERATING CASH:	
NET INCOME (LOSS)	\$ (14,455.19)
ADJUSTMENTS TO RECONCILE NET INCOME TO NET OPERATING CASH	
DEPRECIATION AND AMORTIZATION	\$ 14,981.22
CHANGE IN ASSETS & LIABILITIES	
DECREASE IN ACCOUNTS RECEIVABLE	\$ 467.60
DECREASE IN EMPLOYEE ADVANCES	200.00
INCREASE IN PREPAID TAXES	(17,240.90)
DECREASE IN PREPAID RENT	28.94
DECREASE IN PREPAID INSURANCE	1,150.41
INCREASE IN PREPAID EXPENSES	(77.75)
INCREASE IN ACCOUNTS PAYABLE	11,266.66
INCREASE IN ACCRUED INT-SILICON VALLEY BK	227.82
INCREASE IN ACCRUED INT - VIDEO ENG.	326.12
INCREASE IN ACCRUED INT - KEN DANIEL	5,029.91
INCREASE IN ACCRUED PAYROLL	1,423.63
DECREASE IN CONVERTER DEPOSITS	(585.00)
DECREASE IN OTHER LIABILITIES	(255.98)

TOTAL ADJUSTMENTS	\$ 16,942.68

NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 2,487.49
	=====

ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
STATEMENT OF CASH FLOWS
SEE ACCOUNTANT'S
COMPILATION REPORT

FOR THE MONTH ENDED AUGUST 31, 1994

CASH FLOWS FROM OPERATING ACTIVITIES	
CASH RECEIVED FROM CUSTOMERS	\$ 58,191.09
CASH PAID TO SUPPLIERS AND EMPLOYEES	(44,295.23)
INTEREST RECEIVED	86.57
INTEREST PAID	(11,494.94)

NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 2,487.49
CASH FLOWS FROM INVESTING ACTIVITIES	
CAPITAL EXPENDITURES	\$ (10,226.27)

NET CASH USED IN INVESTING ACTIVITIES	\$ (10,226.27)
CASH FLOWS FROM FINANCING ACTIVITIES:	
PRINCIPAL PAYMENTS	\$ (11,479.08)

NET CASH PROVIDED BY FINANCING ACTIVITIES	\$ (11,479.08)

NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ (19,217.86)
CASH/CASH EQUIVALENTS BEGINNING OF PERIOD	\$ 38,833.62

CASH EQUIVALENTS END OF PERIOD	\$ 19,615.76
	=====

ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
SCHEDULE 1
NOTES PAYABLE
AUGUST 31, 1994
SEE ACCOUNTANT'S COMPILATION REPORT

LENDER	SHORT TERM	LONG TERM	TOTAL
1. SILICON VALLEY BANK	\$ 1,284,167.00	\$ 0	\$ 1,284,167.00
2. VIDEO ENGIN. INC.	0	41,503.00	41,503.00
3. KEN DANIEL	0	640,249.99	640,249.99
4. JIM LEE	7,779.91	0	7,779.91
5. GMAC	1,878.26	0	1,878.26
6. IMPERIAL PREMIUM	3,821.34	0	3,821.34
	<u>\$ 1,297,646.51</u>	<u>\$ 681,752.99</u>	<u>\$ 1,979,399.50</u>

	DUE DATE	INTEREST RATE	PAYABLE	COLLATERAL
1.	12/15/94	P + 3.00%		SHAREHOLDER'S REAL ESTATE
2.	DEMAND	9.25%	INT SEMI-ANNUALLY	UNSECURED
3.		9.25%	*	UNSECURED
4.	5/1/95	10%	\$ 900.86 P/MO.	UNSECURED
5.	AMORTIZED	4.9%	\$ 385.39 P/MO.	CHEVY TRUCK
6.	11/12/94	9.25%	\$ 1,273.78 P/MO.	UNSECURED

*PAYMENTS ON THIS OBLIGATION HAVE BEEN SUSPENDED INDEFINITELY.

AS OF AUGUST 31, 1994 PRINCIPAL PAYMENTS ARE DUE AS FOLLOWS:

YEAR ENDED JULY 31,

1995	\$ 1,297,646.51
1996	0
1997	0
1998	0
THEREAFTER	<u>681,752.99</u>
	<u>\$ 1,979,399.50</u>

ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
SUPPORTING SCHEDULE 2
SEE ACCOUNTANT'S
COMPILATION REPORT

FOR THE MONTH ENDED AUGUST 31, 1994

	YEAR-TO-DATE AMOUNT	Y-T-D RATIO
INCOME		
HA - INCOME	\$ 20,271.24	34.61
LV - INCOME	8,491.51	14.50
RW - INCOME	150.00	.26
WM - INCOME	(80.63)	(.14)
PM - INCOME	50.50	.09
PR - INCOME	20,295.95	34.66
SB - INCOME	9,299.66	15.88
	-----	-----
TOTAL INCOME	\$ 58,478.23	99.86

ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.